

BOC INDIA LIMITED

CHAIRMAN'S SPEECH AT THE 75TH ANNUAL GENERAL MEETING HELD ON 2 JUNE 2011

Good Morning, ladies and gentlemen.

It is my pleasant duty to welcome you to this, the 75th Annual General Meeting of your Company.

The Report and Accounts for the year ended 31 December 2010 and the Notice convening this Meeting, which was enclosed therewith have been with you for some time.

Before proceeding with the Agenda as per the Notice, with your kind permission, I would like to comment briefly upon the background of the year's operation.

This year's turnover of Rs. 1036 crores is the highest achieved so far in your Company's 75 year long history. This performance is a true reflection of the giant strides taken by our country's industrial economy during these 75 years of evolution. In response to this economic environment, your Company has diversified and greatly expanded its product portfolio. It has also forged lasting links with its customers that have been steadily reinforced through a strong service orientation in the Company's operation.

In the recent years, the steel industry has been the single major driver for growth in the Gases industry. Even though the steel industry has already seen a substantial growth in capacity and output, the steel majors are implementing, as well as planning further major capacity additions. The Oil and Gas and Refinery segments are also growing at a fast pace. The new technologies in this sector require large volumes of hydrogen, which is being outsourced to gases producers. Further growth in demand for gases is being driven by the metal fabrication, chemicals, petrochemicals and healthcare segments.

Your Company is well-positioned to capitalise upon these emerging opportunities as well, because of their international linkages with Linde. The Project Engineering Division has grown rapidly in capability to meet these diverse opportunities and it has become a major contributor to your Company's operations. We remain confident that we shall be able to accelerate our growth in the coming years. Some of the contributors to our growth plan in the recent past and the immediate future are:

- Full ramp up of the 1800 tpd plant at Bellary
- Acquisition of three ASUs of Tata Steel at Jamshedpur
- New 221 tpd merchant ASU near Dehradun
- New 2550 tpd ASU being constructed at Jamshedpur unit of Tata Steel
- The twin 853 tpd ASUs being constructed at Rourkela unit of SAIL
- New 418 tpd ASU being constructed for Kalinganagar unit of Jindal Stainless and
- New 330 tpd merchant ASU being constructed at Talaja.

These growth opportunities and many more future initiatives will, however require that we maintain our edge over very large and significant competitors while preserving our operating margins in the face of ever increasing operating, manpower and capital costs. Being mindful of these factors and in view of the need to conserve resources for financing the ongoing investment program towards setting up of new Air Separation Units for supply scheme opportunities as well as merchant business, your Directors have recommended a dividend of 15%, that is, Rs. 1.50 per equity share of Rs. 10.00 each.

You would have noted that my esteemed colleague, Dr. J. J. Irani has not offered himself for re-election and therefore, will be retiring from the Board of your Company. Dr Irani had joined the Board in 1987 and during the intervening period of 24 years, he had steadily contributed to the development of your Company's strategies through his wise counsel and intervention in the Board. He has also contributed to the high standards of Corporate Governance in your Company's functioning through his guidance in the Audit and the Remuneration Committees of the Board. On behalf of the Board, as well as on my own behalf, I place on record our sincere gratitude and appreciation for the valuable contribution made by Dr Irani.

Later on during the year, I shall also retire from your Board and therefore, this is the last occasion when I meet you at this forum. I take this opportunity to wish you well - being and prosperity in the future years.

Finally, I seek to formally express my sincere gratitude to my Board colleagues for their wise counsel and guidance, to our Customers for the trust they have reposed in us, to the Management and the Staff of the Company for their sterling performance in accelerating the Company's growth and, finally, to you, our Shareholders, for your support and encouragement.

Ladies and Gentlemen, I thank you for your attention.

S M Datta

Kolkata
2 June 2011

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| Note: This does not purport to be a record of the proceedings of the Annual General Meeting |
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